

## Valdosta State University Budget Processes

### ***Enrollment Estimate – The Foundation for the Overall Budget Process***

The development of the Valdosta State University (VSU) budget begins with an enrollment analysis facilitated by Strategic Research and Analysis (SRA) in collaboration with Admissions and Academic Affairs. This analysis includes elements such as historic enrollment trends, acceptances, total number of available beds in student housing, number of housing applications, number of students attending orientation sessions, and ultimately the number of registered students. This enrollment estimate serves as the foundation for the budget amounts calculated in each fund below.

Beyond just providing a financial starting point, the enrollment estimate also provides Academic Affairs with a baseline estimate of student course needs. Predicting enrollment accurately allows the university to utilize a stable faculty-student ratio as an index of the need for increased funding. Thus, if enrollment increases, the budget process anticipates this and then may plan for excess tuition revenue to maintain the faculty-student ratio by adding additional instructional staff or by selectively increasing course sizes to generate additional faculty reassignment time for scholarly development. Thus, the enrollment estimate creates a budget scenario. That budget scenario changes as the estimate becomes more refined closer to the start of the Fall semester, and ultimately affects all of the component funds comprising the overall VSU budget.

Once the revenue budget is established, Budget Services makes recommendations regarding anticipated continuing expenditures against this revenue, including items such as: state mandated budget reductions, increases to minimum wage requirements, increases in health contributions, etc. The remaining revenue is allocated to several funds, based on processes described in further detail in this document.

### ***Funds – The Components of the Overall VSU Budget***

Overall budget at VSU is comprised of the following eight funding categories. In order to prepare the budget for the next fiscal year, Budget Services utilizes the Enrollment Projection provided by SRA to estimate tuition and fee revenues. The base budget is then built upon these figures for each component fund listed below.

Educational and General (Funds 10000, 10500, and 10600)

State Appropriations Revenues Projected

Tuition Revenues Projected

Other Revenues Projected

FY2009 Expenditure Projection

Auxiliary Funds excluding Athletics (12210-12270)

Bookstore Revenues Projected

Housing Fees Projected

Dining Service Fees Projected

Health Fee Projected

Parking and Transportation Fee Projected

Access Card Fee Projected

Other Revenues Projected

FY2009 Expenditure Projection

Athletics Funds (12280)

Student Activities Funds (13000)

Student Technology Fee Funds (16000)

Indirect Cost Recoveries (15000)

Sponsored Activities (20000)

Capital Improvement Funds (50000)

## **Philosophy – The Open Budget Process**

Each of the component funds previously listed are subject to an open budget process. The overarching philosophy of budget planning at VSU is to encourage *decision making at levels closest to the mission* of the university. To accomplish this, several budget hearings and committee processes have been developed to foster engagement and transparency.

**Departmental Level Participation** - For much of campus, departmental budgets rest in the Education and General Fund. In keeping the process open and mission driven, budget managers convene periodic planning meetings with department or program members to review enrollment and activities, and to assess their needs and priorities for the upcoming fiscal period. The frequency of meetings depend on the complexity of the unit's activities. In the spirit of shared governance and transparency, it is expected that all budget managers meet with members of their unit at least semiannually to review planning and budget items. At a minimum, the following items should be reviewed during these meetings:

- Strategic actions that will accomplish the university's goals from a unit perspective
- Completion or progress toward goals for the department
- Enrollment and advisement activities as they impact this progress, create opportunities, or cause challenges
- Needs and priorities related to goals of the department; with a plan for meeting those needs internally

**College or Divisional Level Participation** - The results of departmental budget meetings are taken to a College or Unit annual planning meetings where department operating activities are reviewed and priorities established for goals and budget needs. These meetings provide the information for Divisional reports that are presented at the Planning and Budget Council's annual budget hearings. All units participate in these strategic reporting and planning sessions. Each division discusses their process as well as outlines their unit's activities, needs and priorities to enable them to accomplish the university's mission. At a minimum, the following items should be reviewed during these meetings:

- Strategic actions that will accomplish the university's goals from a college or division perspective
- Completion or progress toward goals for the division and/or college
- Enrollment and program activities as they impact this progress, create opportunities, or cause challenges
- Needs and priorities related to goals of the college; with a plan for prioritizing departmental needs in order to meet them within the college
- Opportunities for reorganization or re-engineering to meet budgetary needs related to the mission

**Open Processes for Auxiliary, Athletics, Student Activities and Technology Funds** – Funds not a part of the Education and General component are still subject to open budget processes; and as such, have input from advisory committees designed for that purpose. The chart below provides a list of those funds and their corresponding advisory groups. The following guidelines are provided for use when charging the advisory groups. Although not all-inclusive, this list should be utilized to ensure each group fulfills its budgetary responsibilities.

- Ensure that each group has written guidelines addressing the following general responsibilities:
- Hold meetings according to a publicized schedule, maintaining the spirit of decision-making in the "sunshine."
- Establish a process to collect requests for funding from your particular pool.
- Establish criteria for prioritizing requests.
- Review requests and establish an initial prioritized list for the fiscal year by the Fall deadline established on the budget calendar.
- Notify submitters of the prioritization of their project, whether they may receive funds in the Fall or Spring Release, and the appropriate processes to follow in securing funds (purchasing deadlines, account codes, etc).
- Convene committee on an as-needed basis to address new priorities or needs that arise throughout the year, which were not previously considered in the initial submission of funding requests.
- Document the allocation of all funds from the pool, including implementation and results, and submit annually as an information item to the Planning and Budget Council by the Spring budget calendar deadline.

<b>Budget Fund and Purpose</b>	<b>Budget Manager</b>	<b>Advisory Body</b>
<b>Auxiliary Services</b> Recommend to the Mandatory Fee Committee mandatory fee increases or new fees. Review budget plan for the Auxiliary Services, including prioritization of projects proposed for funding through excess revenues	Director of Auxiliary Services	Auxiliary Budget Committee ** recommends to Director of Auxiliary Services
<b>Athletics **</b> Recommend to the Mandatory Fee Committee mandatory fee increases or new fees. Review budget plan for Athletics, including prioritization of projects proposed for funding through excess revenues	Athletic Director	Athletic Budget Committee ** recommends to Athletic Director
<b>Student Activities **</b> Recommend approval for mandatory fee increases or new fees. Review budget plan for the Student Activities, including prioritization of projects proposed for funding through excess revenues	VP, Student Affairs	Mandatory Fee Committee ** chaired by the VP, Student Affairs
<b>Technology Fee **</b> Recommend to the Mandatory Fee Committee mandatory fee increases or new fees. Review budget plan for the Technology Fee, including prioritization of projects proposed for funding through excess revenues	Director of IT	Technology Fee Committee ** chaired by the Director of IT

**Beyond the Base Budget – A Multi-Faceted Process to Allocating the Education and General Fund**

The budget process at Valdosta State goes beyond the base operating budgets you routinely deal with in your departments, to include a variety of funding pools designed to meet our instructional and scholarly mission. Budget Services recommends to the Planning and Budget Council allocation of those monies to various funding “pools” based on a variety of data driven factors. These pools are separate line items in the Education and General budget, and are subject to open budget processes also.

**University Flexibility/Contingency Pool** – As part of prudent fiscal policy, the University sets aside a portion of its funds each year in preparation for meeting unanticipated expenses throughout the year. This pool is used to address expenditures such as additional state budget cuts, increases in fixed costs such as utilities, infrastructure repairs beyond our Plant operating budgets, changes in enrollment estimates, and opportunities that could not have been anticipated in the prior budget planning cycle.

**Strategic Focus Pool** – The majority of resources allocated within the Education and General Fund enable the university to meet its routine operating demands in order to fulfill the academic mission. However, even in challenging fiscal times, forward-thinking institutions provide opportunities for new program development and innovative endeavors. The Strategic Focus pool is designed to foster growth that is specifically targeted towards one or more areas the university community has identified as key priorities (recruitment, retention, scholarship, financial resources, new academic initiatives). Proposals are requested and reviewed through an open process which includes the Deans’ Council and the Planning and Budget Council. Projects will be selected for funding based on overall impact as well as their ability to generate long-term cost recovery.



**Special Funding Pools Requiring Advisory Committees** – The last facet in budgeting the Education and General Fund is the establishment of several special funding pools designed to move resource allocation closest to the mission.

The types of pools and their total allocation amounts were identified through historical analysis of requests for funding from the Planning and Budget Council. Analysis of these requests indicated that they were typically operating expenditures that could best be allocated by advisory groups already in place across campus. The following chart indicates the pools established to handle these routine requests; their purpose, budget manager, allocation amounts per semester, and their advisory bodies who will manage the open budget process within each pool. Please refer to the same guidelines previously provided for open processes when participating in these pools: Although not all-inclusive, this list should be utilized to ensure each group fulfills its budgetary responsibilities.



- Ensure that each group has written guidelines addressing the following general responsibilities:
- Hold meetings according to a publicized schedule, maintaining the spirit of decision-making in the “sunshine.”
- Establish a process to collect requests for funding from your particular pool.
- Establish criteria for prioritizing requests.
- Review requests and establish an initial prioritized list for the fiscal year by the Fall deadline established on the budget calendar.
- Notify submitters of the prioritization of their project, whether they may receive funds in the Fall or Spring Release, and the appropriate processes to follow in securing funds (purchasing deadlines, account codes, etc).
- Convene committee on an as-needed basis to address new priorities or needs that arise throughout the year, which were not previously considered in the initial submission of funding requests.
- Document the allocation of all funds from the pool, including implementation and results, to submit annually as an information item to the Planning and Budget Council by the Spring deadline established on the budget calendar.

<b>Budget Pool and Purpose</b>	<b>Budget Manager</b>	<b>Advisory Body</b>
<b>Graduate Stipends</b> Recommends funding allocation levels for graduate student stipends. Establishes criteria for award of stipends to attract and retain increased graduate student enrollment (ie, graduate student performing work in their field).	VP, Academic Affairs	Graduate School Strategic Assistantship Committee (subcommittee of the Graduate Executive Committee which will include student membership) recommends to Graduate Dean
<b>Academic Equipment/Maintenance</b> Prioritize requests for new equipment, equipment repair/maintenance, annual maintenance fees, etc. which directly enhance the instructional and/or research mission of the university.	VP, Academic Affairs	Deans Council (does not include student membership) recommends to VPAA
<b>Library Reference &amp; Special Collections</b> Prioritize requests for library acquisitions which directly enhance the instructional and/or research mission of the university.	VP, Academic Affairs	Library Affairs Committee of the Faculty Senate (includes student membership) recommends to Head Librarian
<b>Faculty Scholarly Travel</b> Prioritize requests for faculty travel (ie conference presentation, fieldwork, etc.) which directly enhance the research mission of the university.	VP, Academic Affairs	Faculty Development and Research Committee of the Faculty Senate (includes student membership) recommends to VPAA
<b>Reassigned Time for Research</b> Prioritize requests for faculty release time to engage in scholarly research appropriate to their discipline.	VP, Academic Affairs	Deans Council (does not include student membership) recommends to VPAA

<b>Instructional Setting Renovation</b> Prioritize requests for classroom renovation, repair, or redesign which directly enhance the instructional mission of the university. Particularly in regards to increasing enrollment and retention.	Director of Facilities Planning	Facilities Advisory Committee (will include student membership) recommends to Director of Facilities Planning
<b>Campus-Wide Renovation/Maintenance/ADA</b> Prioritize requests for renovation, repair, or redesign outside the classroom setting and beyond the normal Facilities Planning and Plant operating budget; including infrastructure improvements.	Director of Facilities Planning	Facilities Advisory Committee (will include student membership) recommends to Director of Facilities Planning
<b>Student Affairs Equipment</b> Prioritize requests for new equipment, equipment repair/maintenance, annual maintenance fees, etc. which directly enhance the student development and leadership mission of the university.	VP, Student Affairs	Student Services Committee of the Faculty Senate (includes student membership) will review proposals by Students Affairs Directors and recommend to VP/SA
<b>Computer Replacement</b> Recommend allocation levels and replacement cycles for faculty and staff computing needs.	Director of Information Technology	Faculty Senate Technology Committee (includes student membership) expanded to include staff representatives from Advancement, Finance & Administration, and Student Affairs, recommends to Director of IT
<b>IT Infrastructure</b> Prioritize requests for infrastructure upgrades, maintenance and licensing which directly enhance the computing services of the university.	Director of Information Technology	Faculty Senate Technology Committee (includes student membership) expanded to include staff representatives from Advancement, Finance & Administration, and Student Affairs, recommends to Director of IT

\*\* Committee must be comprised of at least 50% students per Board of Regents guidelines.

### **Planning for Adjustments to Unit-Level Allocations**

The University recognizes that base budgets will periodically need to be adjusted to meet changing needs in the university. Whenever possible, units are encouraged to reengineer, reorganize, or take advantage of operational efficiencies in order to accomplish new goals. However, if personnel or operating budget needs cannot be met through reengineering or through use of one of the established special funding pools, a base budget adjustment may be requested as follows.

**Faculty Personnel Funding** – A proportion of new tuition revenues from the Education and General fund is allocated to Academic Affairs specifically to meet instructional personnel needs. Budget Services calculates this allocation via a formula based on maintaining the faculty-to-student ratio. The Provost then uses open budget processes within Academic Affairs to determine the specific use for those funds, taking into consideration: Dean’s requests, class backlog analysis, and assurance of classes for students.



**Base Budget Increases for Operating and Staff Personnel Funding** – Just as Academic Affairs has a pool and process especially designed to meet its staffing needs, the remaining units in the Education and General Budget have a process for requesting adjustments to their base budgets for both operating and staff personnel. The total pool allocation, and the request limit for each unit in the pool, corresponds to percentage of the unit’s budget as compared to the total Education and General fund. Budget Services calculates the percentage of personnel and operating funds that comprise the Education and General Fund for each of the following areas: Academic Affairs, Information Technology, Student Affairs, Advancement, Finance and Administration, and the unaligned group. This percentage is then used to determine the total possible allocation from new tuition revenues for each area. These units are then given the opportunity to submit funding requests, not to exceed 125% of their total possible allocation. These requests will be made in the current fiscal year, for inclusion in the next fiscal year’s budget.

## **Operationalizing the Open Budget Process – Using Our Resources to Accomplish the Mission**

The following flow chart guides budget managers through the various avenues available to them in order participate in the open budget process with maximum attention to the efficient and effective use of resources.

*Can you use your existing operating budget to meet your needs?*

- If so, this is always the preferred budgetary option.
- Your department should meet throughout the year to assess its needs, evaluate its performance indicators (such as enrollment) and plan for expenditures.

*If not, does your division have resources it can shift to meet your needs?*

- Your division should meet at least semiannually to review plans & budget items.
- Are there efficiencies that can be utilized to accomplish your needs?
- Will your expenditure eventually pay for itself?

*If not, is there a pool you can request funds from?*

- Academic Equipment Pool
- Faculty Scholarly Travel Pool or the Research Reassignment Time Pool
- Instructional Setting Renovation Pool
- University Renovation/Maintenance/ADA Pool
- Student Affairs Equipment and Materials Pool
- Computer Replacement Pool or IT Infrastructure Pool

*If no pool exists, do your needs meet criteria for a Strategic Focus proposal?*

- Funding requests in this category should be new innovative projects that will demonstrate a return on investment academically and financially.
- These data driven proposals typically will be one-time expenditures or requests for seed start money, and will ultimately bring in additional enrollment or revenue to off-set their costs.

*Does your need require an adjustment to your base budget?*

- Each year, in preparation of the next fiscal year's budget, the Office of Budget Services will request submissions for adjustments to your base budget.
- Requests for operating increases and personnel increases that cannot be realized through any other process should be made here as a "last recourse" for funding.
- Requests should be accompanied by data to support the need, and a plan to measure return on investment and/or demonstrate cost recovery.